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Go-ahead for HSH Nordbank's transition to Deposit Protection Fund

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At its meeting today in Frankfurt, the Association of German Banks' board of directors approved the arrangements negotiated with all the parties involved for the transition of HSH Nordbank from the Savings Banks' Institutional Protection Scheme to the Association of German Banks' voluntary Deposit Protection Fund.

HSH Nordbank's transition will proceed as follows:

- On 1 January 2019, HSH Nordbank will become a member of the Auditing Association of German Banks (Prüfungsverband deutscher Banken).
- The Auditing Association will monitor the bank in the three-year transition period from the beginning of 2019.
- The seamless switch to the Deposit Protection Fund can take place on 1 January 2022. From then, the general protection limit is to be – as with all banks – 15% of the bank's capital.
- HSH Nordbank will remain in the Savings Banks' Institutional Protection Scheme until the end of 2021.
- From 1 January 2019, HSH Nordbank will participate in the Association of German Banks' bodies as an extraordinary member.

"This is great news for the parties involved and for the German financial marketplace. The solution that has now been found can serve as a blueprint for switches in future from other protection schemes to the Deposit Protection Fund", said Hans-Walter Peters, the Association of German Banks' president. "The private banks' Deposit Protection Fund in this way makes a major contribution towards ensuring financial stability as well as the competitiveness and sustainability of the banking sector in Germany."
